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Page 3/3

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3/5/04**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE****In re application of FREDRIC GOLDSTEIN Docket no.: N898 (amended)****Serial No.: 09/340,303 Examiner: KIM, EUGENE LEE****Filing Date: 06/28/99 Art Unit: 3721****Title: RIBBON CURLING AND SHREDDING DEVICE****Commissioner of Patents and Trademarks, Washington, DC 20231****INFORMATION DISCLOSURE STATEMENT****-- 2nd SUPPLEMENT TO THE IDS SUBMITTED ON APRIL 15, 2003 --****REMARKS**

Applicant discloses the following Order of the District Court in the matter of Group One v Hallmark Cards, Inc Case no. 97-1224-CV-W-DW in the Western District of Missouri. This Order is a JMOL ruling after a jury trial. After this jury trial, a verdict was rendered on all counts for Group One Ltd, the assignee of the patents in suit which are the parent patents of the instant application (and part of five total patents issued thus far from the parent specification). The counts included infringement and willful infringement. Part of Hallmark's affirmative defense was invalidity. The jury, after specifically asking for and obtaining the prior art of record, rejected Hallmark's claims that the patents are invalid due to obviousness and rendered a verdict on each of these counts for Group One, sustaining the patent's validity.

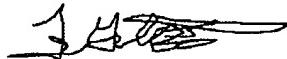
As an historical reference, Hallmark's first defense, the on-sale bar, was a summary judgment ruling by the presiding judge, the Honorable Judge Whipple, days before the originally scheduled trial in 1999 in favor of Hallmark Cards. It was however reversed in the Federal Circuit. A copy of that Federal Circuit decision was included in the April 15, 2003 IDS.

Hallmark then moved in the seventh year of litigation for invalidity of the parent 5, 518, 492 patent due to a printer's error, whereby language from an examiner's amendment from the prosecution history was missing from the printed patent claim. The same judge ruled in summary judgment that failing to have a Certificate of Correction rendered the patent invalid under §112, 6, removing nearly 25% of the jury's damage award (the second patent in suit, the latter '752 patent, however remained unaffected by that ruling).

Now in the enclosed Order, this same judge under yet a third statute has ruled for the third time that both patents in suit are invalid, this time due to §103 Obviousness. Group One vigorously disputes this ruling and it will be timely appealed to the Federal Circuit.

Applicant believes that this Order which sets aside a diligent carefully arrived at jury verdict of non-obvious is grossly erroneous and adds no useful assistance to the PTO in examining the instant patent application in terms of its analysis of obviousness. The PTO is not bound by the district court's ruling which has no jurisdictional sway over the PTO in the prosecution of the instant application. Nevertheless, in the interests of prudent pursuit of the duty of candor, Applicant all the same submits this Order for the record of the PTO.

Respectfully submitted,



Fredric Goldstein

Address:

Varmdovagen 207
131 41 Nacka Sweden
Phone: 011 46 8 4669444
Fax: 011 46 8 469222
Date: March 1, 2004

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